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13 July 1967

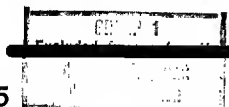
MEMORANDUM FOR: Deputy Director for Intelligence

SUBJECT: Comments on US Position in the Trust Territory
of the Pacific IslandsREFERENCE: Letter (undated) to DCI from Joseph C. Murphy,
Managing Editor, Guam Daily News, Agana, Guam

1. The major thrust of Mr. Murphy's thinking seems to be that the US is in imminent danger of losing its position of influence in the Trust Territory of the Pacific Islands (TTPI) within 5 years, through a plebiscite in which, he predicts, the inhabitants of the Territory are likely to vote for union with Japan. This will have come about, in his view, as a result of widespread indifference within the US Government toward the situation in the TTPI, the "botching" (to use his term) of our job as administrators of the area, and a rapidly growing pro-Japanese sentiment among the inhabitants. We have no reason to doubt the genuineness or sincerity of Mr. Murphy's concern, but we have considerable doubt concerning its validity.

2. We agree with Mr. Murphy's evident appreciation of the strategic importance of the area to US interests. Its location flanks the forward defense perimeter -- South Korea, Japan, the Ryukyus, Taiwan, and the Philippines -- and dominates the sea lanes to Southeast Asia and the South Pacific. Existing and potential bases at Saipan, Truk, Kwajalein, and elsewhere in the TTPI figure prominently in current US military deployment and planning. Retention of base rights, regardless of any possible future change in political status of the area, is of major importance to US forward strategy. (Guam, a major US base in the Marianas, is a US unincorporated territory, and thus not actually included within the TTPI. Its close proximity to the TTPI -- which almost surrounds it -- however, necessitates its consideration in the same strategic framework.)

3. The present legal status of the Territory is based on the trusteeship agreement between the United States and the United Nations Security Council which entered into force on 18 July 1947, under which the US administers the Territory. From 1947 until 1951, the Secretary of the Navy was responsible for administration of the Territory; since 1951, the Territory has been administered by the Secretary of the Interior (except for a brief period in 1952-53 when the Marianas Islands reverted to Navy administration). The quality of US administration has

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been the subject of considerable criticism for a number of years. There is some legitimate basis for such criticism; for more than a decade the islands, ravaged by World War II, were badly neglected. Formidable logistic problems, complex ethnic and demographic conditions, a meager economic base, the relative inexperience of US administrators, and insufficient budget appropriations all contributed to the discouragingly slow progress toward development of the Territory. In more recent years, however, impressive advances have been made. US appropriations have been increased. The appropriation ceiling for 1966 was \$17.5 million; new legislation, signed into law on 10 May 1967, increases the ceiling to \$25 million for 1967, and to \$35 million for 1968 and 1969. Programs for education, economic improvement, health, and community development have advanced at an accelerated rate. The first Peace Corps contingent arrived in Micronesia in the autumn of 1966; there are presently about 450 volunteers assigned throughout the Territory, and this number is expected to increase to more than 700 by the end of the present calendar year. The indigenous Congress of Micronesia, which convened its first regular session on 12 July 1965, represents a milestone in the Territory's political advancement. The US has been commended by the UN for progress made, and American journalists -- formerly highly critical of US administration -- have begun to temper their criticism. Much remains to be done -- especially in building up the Territory's economy -- but the evidence leads us to disagree with Mr. Murphy's contention that the job is being "botched".

4. From the outset, it has been US policy, in accordance with that of the UN Trusteeship Council, to work toward preparation of the inhabitants of the TPI for eventual exercise of their right of self-determination. Council members realize that development of the TPI into a viable independent state will be extremely slow. There is reason to doubt that the Territory will ever become truly independent; a more likely course is for it to remain dependent on the US or some major nation -- probably the US. Anti-colonial elements in the UN, encouraged by the Communist Bloc, have been critical of the US for not giving the Territory independence. Soviet propaganda, and the Soviet representative in the UN Trusteeship Council, regularly accuse the US of refusal to grant independence to the islanders and of pursuing a course directed toward annexation of the Territory. Since the TPI is one of only three UN trust territories remaining -- and Nauru is likely to become independent in 1968 -- it is likely that anti-colonial pressures on the US and Australia, administering authorities of the TPI and the Trust Territory of New Guinea respectively, will increase. Thus, the external pressures toward granting of independence are largely propaganda-motivated. We feel it highly unlikely that the islanders would opt for independence if a plebiscite were to be conducted in the near future.

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5. Mr. Murphy, however, maintains that there are strong internal pressures on the part of the inhabitants themselves for an election to determine their political future. The UN Visiting Mission, during their investigation of the TTPI in February-March 1967, made a special effort to test public opinion on this subject and found that very few inhabitants had a clear idea of the alternatives open to them. Most realized the extent of their dependence on the US and seemed to have genuine appreciation of the US administration; they also appreciated, however, the special protection given them as a UN trust territory. The Mission reported that the most common reaction was to ask, "Why is the UN rushing us? We are in no hurry." Many of the Micronesians wished to remain "with" or "part of" or "under" the US. Mr. Murphy's letter correctly reports that Senator F. T. Palacios of the Marianas delegation in the Congress of Micronesia informed the Visiting Mission that the people of the Mariana Islands want a plebiscite not later than 22 October 1970. Mr. Murphy failed to report, however, that the Senator went on to say, "We have no doubt in our minds that we are ready to become an independent, unincorporated Territory of the United States of America or a Commonwealth of the United States." The Senator further stated that, because the islands would be unable, as an independent nation, to provide such needed public services as education and public health, they would have to seek foreign aid. Such nations as the US, USSR, China and Japan would probably offer aid, he claimed, in return for special concessions from the islands. He went on to say that, rather than be caught between these nations, the Marianas would prefer to be part of the US.

6. Available evidence does not support Mr. Murphy's prediction that the Micronesians will choose to join Japan if and when a plebiscite is held. Some of the older islanders may remember the "good days" of the 1920's when, under Japanese administration, the islands experienced relative economic prosperity, albeit accompanied by an influx of Japanese, Okinawan, and Korean laborers. At present there is probably some desire on the part of Japan for closer economic ties with the Territory in the fields of fishing and tourism, but such desires do not indicate a Japanese wish to annex the area. Japan could not afford to put substantial funds into the territory, nor could its air and naval assets provide protection for the islands.

7. All in all, then, we feel that Mr. Murphy is unduly alarmist in predicting that the US is going to lose the islands. A plebiscite is not imminent; when it does come, it is doubtful that the inhabitants will choose either independence or a return to Japan. Micronesian leaders realize that independence is not economically feasible, and most of them prefer to remain with the US, perhaps by union with Guam.

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External pressures for the holding of a plebiscite will likely increase, however, especially in the UN. The US, therefore, needs to continue its programs for constructive development of the TTPI to prepare for this eventuality.

(signed)

JAMES A. BRAMMELL

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Director of Basic Intelligence

Attachments: 2

1. Basic Data Sheet on TTPI and Guam
2. Map: Pacific Islands

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<p>Remarks:</p> <p>Jack,</p> <p>The attached memorandum responds to Mr. Holms' request of 10 July for an analysis of the contents of an undated letter from a private citizen in Guam concerning the future of the US Trust Territory of the Pacific Islands.</p> <p>Research and writing was done by [REDACTED] of the Far East/Pacific Branch, Geography Division, with brief contributions from OCI/WE/UN and ONE/FE. In addition, the drafting officer conferred informally with INR and Dependent Area Affairs (UNP), State, and with the Consultant to the House Committee on Interior and Insular Affairs, concerning sources of information and some of the substantive material included.</p>			
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